

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6115**

**BILL NUMBER:** HB 1017

**NOTE PREPARED:** Apr 5, 2011

**BILL AMENDED:** Mar 31, 2011

**SUBJECT:** Unused Medication.

**FIRST AUTHOR:** Rep. Burton

**FIRST SPONSOR:** Sen. Miller

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- A. It allows a county jail or a Department of Correction facility to return: (1) certain unused medication to the pharmacy that dispensed the medication; and (2) unused medical devices or medical supplies that are used for prescription drug therapy and that meet specified requirements.
- B. It allows a pharmacist or pharmacy that enters into an agreement to accept the return of unused medication, unused medical devices, or unused medical supplies to negotiate a fee for processing the return.
- C. It allows the use of an electronic prescription for certain controlled substances.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** This bill would have no effect on the Department of Correction (DOC). Under IC 25-26-13-25(j), health care facilities can return unused medications to a pharmacy when the medicines are contained in blister packs. Under its contract with Correctional Medical Services (CMS), the unused medications are already returned to the dispensing pharmacy when the medications are in blister packs.

**Background-** DOC contracts with CMS, and CMS subcontracts with PharmaCorr for medication and pharmacy services. Services include formulary maintenance and quarterly visits by a consultant pharmacist. Under current pharmacy statutes, CMS is permitted to return medication to PharmaCorr because all of the medication dispensed by them is in blister packs. Blister packs are considered unit doses. DOC indicates that

the credit CMS receives for unused medication that is returned to PharmaCorr is included in its contact with CMS.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Counties that currently do not dispense medications in blister packs may be able to reduce costs of medications if they would dispense them in that manner and return unused portions to the dispensing pharmacy. Sheriffs may need to negotiate a fee with the pharmacist processing these returns.

**Explanation of Local Revenues:**

**State Agencies Affected:** DOC.

**Local Agencies Affected:** County sheriffs.

**Information Sources:** Rose Vaisvilas, Nursing Director, DOC.

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.